

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 96-547

May 14, 1998

SANFORD WATER DISTRICT
Application for Approval
of Issue of Securities
(\$ 902) (\$2,900,000) Bond

ORDER

On September 25, 1996 the Sanford Water District (the District) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$2,900,000 through the Maine Municipal Bond Bank.

In an updated filing received on July 29, 1997 and further revised on May 7, 1998 to reflect year end 1997 financial information the District amended its application requesting a borrowing in the form of two (2) bonds. The first bond in a sum not to exceed \$2,235,000 to be issued through the State Drinking Water Revolving Loan Fund, administered by the Maine Municipal Bond Bank, at an annual rate not to exceed 5.0 percent over a term not to exceed 20 years. The second bond in a sum not to exceed \$665,000 through the Maine Municipal Bond Bank, at an annual rate not to exceed 7.0 percent over a term not to exceed 20 years.

The District requires these funds to acquire the following:

	SRF	MMBB	TOTAL
Corrosion Control	\$900,000		\$900,000
Buildings			
Maine Station & Bldg		\$112,000	\$112,000
SCADA	250,000		250,000
Mains	363,000	380,000	743,000
Well & Pump Station	600,000		600,000
Equipment		130,000	130,000
Legal, Acct, Short-term interest	<u>122,000</u>	<u>43,000</u>	<u>165,000</u>
Totals:	<u>\$2,235,000</u>	<u>\$665,000</u>	<u>\$2,900,000</u>

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for MMBB, RECD and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That the Sanford Water District is hereby authorized to issue its bond in a sum not to exceed \$2,235,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 5.0 percent per year through the State Drinking Water Revolving Loan Fund, administered by the Maine Municipal Bond Bank for a term not to exceed 20 years.

The District is also hereby authorized to issue its bond in a sum not to exceed \$665,000 through the Maine Municipal Bond Bank, to be used solely for the purposes described in this Order, at a rate not to exceed 7.0 percent over a term not to exceed 20 years.

2. That the District report to the Commission in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or by December 31, 1998, whichever may come first.

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 14th day of May, 1998.

BY ORDER OF THE DEPUTY DIRECTOR
OF FINANCE

Richard Kania
Deputy Director of Finance